

SEC7

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# Moving Forward Boldly with Kin



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Two years ago we set out to build a new economy that offered equal opportunity to billions of people. Today millions of consumers and hundreds of developers have come together to build this better future with Kin. When it comes to consumer adoption Kin is the most used cryptocurrency in the world. By far.

But all is not well.

After 18 months of working with the SEC the only choice they gave us was to either label Kin a security or fight them in court. Becoming a security would kill the usability of any cryptocurrency and set a dangerous precedent for the industry. So with the SEC working to characterize almost all cryptocurrencies as securities we made the decision to step forward and fight.

While we are ready to take on the SEC in court, we underestimated the tactics they would employ. How they would take our quotes out of context to manipulate the public to view us as bad actors. How they would pressure exchanges not to list Kin. And how they would draw out a long and expensive process to drain our resources.

Instead of selling some of our Kin into the limited liquidity that exists today, we made the decision to focus our current resources on the few things that matter most. So today we are announcing three things:

1. We will shut down the Kik app
2. We will reduce our headcount to an elite 19 person team
3. We will focus on one thing: converting Kin users into Kin buyers

**EXHIBIT**

**264**

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These are hard decisions. Kik is one of the largest apps in the US. It has industry leading engagement and is growing again. Over 100 employees and their families will be impacted. People who have poured their hearts and souls into Kik and Kin for over a decade.

Together these changes will drop our burn rate by eighty five percent, putting us in position to get through the SEC trial with the resources we have.

But no matter what happens to Kik, Kin is here to stay. Kin operates on an open, decentralized infrastructure run by a dozen independent companies. Kin is a currency used by millions of people in dozens of independent apps. So while the SEC might be able to push us around, taking on the broader Kin Ecosystem will be a much bigger fight. And the Ecosystem is close to adding a lot more firepower.

Today most cryptocurrencies rely on speculative demand from exchanges to fuel their crypto business models. But Kin isn't available on most exchanges, so we can't rely on speculative demand. Instead we need to become the first project that creates real demand by getting people to buy Kin to use it. Achieving this will open up a never-before seen source of demand that will be available to everyone in the Kin Ecosystem.

We are close. Kin has over 2,000,000 monthly active earners, and 600,000 monthly active spenders. While losing Kik will have a big impact on these numbers, the continued growth of the Kin Ecosystem has more than made up for it.

Going forward our 19 person team will be focused on one goal: getting millions of people to buy Kin to use it. We aim to achieve this goal by executing a three part strategy:

1. Moving the Kin blockchain forward to support a billion consumers making a dozen transactions a day with sub 1 second confirmation times
2. Accelerating the adoption, growth, and success of all developers in the Kin Ecosystem
3. Building a mobile wallet that makes it easy to buy Kin, exciting to use Kin, and seamless to explore the Kin Ecosystem

We are all in. And despite these hard decisions my confidence in Kin only continues to grow. Together we will show the power of the Kin Ecosystem. Together we will get millions of people to buy Kin to use it. And together we will build a new economy that offers equal opportunity to billions of people. Together we will win.

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